## Message Text

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INFO OCT-01 ISO-00 STR-07 EB-08 COME-00 TRSE-00 OMB-01 H-02 PA-02 CIAE-00 INR-10 NSAE-00 /043 W

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UNCLAS SECTION 1 OF 2 TOKYO 3939

STATE FOR EAJ/PLATT

E.O. 11652: N/A TAGS: ETRD US JA

SUBJECT: STRAUSS INTERVIEW ON NHK

SUMMARY: AMBASSADOR STRAUSS WAS INTERVIEWED ON NHK MAR. 8 9 P.M., NEWS CENTER PROGRAM BY NEW YORK CORRESPONDENT

1. Q. MR. AMBASSADOR, HOW DO YOU CHARACTERIZE THE MOOD IN THE UNITED STATES TOWARD JAPAN AFTER YOU CAME BACK?

A. WELL, I WOULD SAY THE MOOD DID NOT CHANGE A GREAT DEAL AFTER MY RECENT VISIT THERE. I THINK PEOPLE ARE WAITING TO SEE WHAT HAPPENS, BASED UPON THAT VISIT. I THOUGHT WE HAD AN EXCELLENT TRIP. I THOUGHT THAT THE JOINT COMMUNIQUE ENTERED INTO BY MINISTER USHIBA AND BY ME WAS A GOOD COMMUNIQUE. I THOUGHT THE PRIME MINISTER TOOK A COURAGEOUS MOVE IN APPROVING IT AND ALSO DISCUSSING IT WITH THE DIET. BUT NOW THE PEOPLE OF AMERICA, AND PARTICULARLY THE CONGRESS, ARE WAITING TO SEE WHAT HAPPENS. IF NOTHING HAPPENS THE MOOD WILL BE VERY DESTRUCTIVE. IF WE IMPLEMENT IT PROPERLY THE MOOD WILL BE MUCH BETTER.

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2. Q. CAN YOU SAY, SO TO SPEAK, THE TRADE WAR WAS OVER, OR.....

A. I DON'T LIKE TO CHARACTERIZE THINGS AS TRADE WARS. I THINK THIS, I THINK OUR CONGRESS IS GOING TO STOP IMPORTS COMING INTO THIS COUNTRY FROM JAPAN, AND DO IT RATHER SOON, IF THEY DON'T SEE SOME IMPROVEMENT IN

THE TRADING RELATIONSHIP BETWEEN THE TWO COUNTRIES. IF THEY DO SEE IMPROVEMENT BETWEEN THE TRADING RELATIONSHIPS THEY'LL CONTINUE TO BE CONSTRUCTIVE.

3. Q. LAST WEEK I MET SEVERAL CONGRESSMEN AND SENATORS ON CAPIIOL HILL. ALMOST EVERYBODY PRAISED YOUR ACHIEVEMENT IN JAPAN. STILL, THEY SAID, AFTER THE ELECTION, THE PROTECTIONIST TREND IS GETTING STRONGER. WHAT WOULD YOU SAY ON THIS?

A. WELL, I WOULD THINK UNQUESTIONABLY IT DEPENDS UPON THE ACTIVITIES -- NUMBER ONE, OF THIS ADMINISTRATION, NUMBER TWO, THE ACTIVITIES OF OUR TRADING PARTNERS. AND IF THE JAPANESE DON'T BUY, DON'T OPEN THEIR DOORS A BIT. DON'T WATCH THEIR EXPORT ACTIVITIES INTO THIS COUNTRY SOME, DON'T MONITOR THEM SOME THEMSELVES TO SEE THAT THEY DON'T DESTORY OUR AMERICAN BUSINESSES, WE'RE GOING TO HAVE VERY PROTECTIONIST LEGISLATION IN THIS COUNTRY. THERE'S NOTHING COMPLICATED ABOUT THAT, IT'S VERY SIMPLE, THINGS HAVE TO BE A TWO-WAY STREET. PEOPLE FREQUENTLY SAY THAT THE ROAD FROM TOKYO TO WASHINGTON IS THREE MILES WIDE, BUT THE ROAD FROM WASHINGTON TO TOKYO, BY WHICH WE MUST SEND OUR GOODS, IS ONLY ONE FOOT WIDE. AND THAT'S THE WAY THEY FEEL IN THIS COUNTRY, AND JUSTIFIABLY SO. IT HAS TO BE A TWO-WAY STREET. UNCLASSIFIED

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4. Q. A CONGRESSMAN TOLD ME THE NEXT AREA OF CONCERN MIGHT BE THE AUTOMOBILE INDUSTRY. CAN YOU SAY SOMETHING ON THAT?

A. WELL, I THINK THAT IS AN AREA OF CONCERN, BUT EVERY AREA IS AN AREA OF CONCERN. WHEN WE HAVE AGRICUULTURAL PRODUCTS THAT THE JAPANEE PEOPLE WANT AND NEED, AND WE CAN'T GET THEM INTO YOUR MARKET BECAUSE OF QUOTAS, THAT'S A PROBLEM. WHEN WE HAVE MANUFACTURED ITEMS THAT THE JAPANEEE PEOPLE WANT AND NEED, AND WE CAN'T GET THEM INTO YOUR MARKET, THAT'S A PROBLEM. SOME OF THE PROBLEMS COME FROM TARIFFS, SOME FROM NON-TARIFF TRADE BARRIERS, AND SOME COME FROM A VERY COMPLICATED DISTRIBUTION SYSTEM.

5. Q. SO ENLARGING IMPORTS IS THE ISSUE AND THE MOST IMPORTANT THING...

A. YES, WE HAVE A CB RADIO BUSINESS HERE. 90 PERCENT OF THOSE RADIOS NOW ARE MADE IN JAPAN. YOU HAVE NOW ELEMINATED, THERE IS NO LONGER ANY CB MANUFACTURING IN THIS COUNTRY, OF CB RADIOS.
IN THE FASTENER BUSINESS, THEY'VE TAKEN 50 PERCENT
OF OUR MARKET, AND OUR PEOPLE ARE OUT OF WORK. THE
CONGRESS IS NOT GOING TO STAND FOR THAT ANY LONGER.
NO ONE IN JAPAN HAS USED ANY RESTRAINT IN SAYING "CUT
BACK ON THE AMOUNT OF EXPORTS TO THIS COUNTRY OF
FASTENERS," NOR HAVE THEY SAID "COMPENSATE FOR THAT
BY PURCHASING SOMETHNG ELSE." AND FRANKLY, THE PEOPLE
OF AMERICA ARE SICK AND TIRED OF IT. THE CONGRESS IS
TIRED OF IT. AND VERY FRANKLY, I'M GETTING WEAARY OF
FIGHTING THE FIGHT FOR JAPAN, UNLESS I GET SOME HELP,
AND I'M GOING TO BE WATCHING VERY CAREFULLY TO SEE
WHAT TAKES PLACE. AS IS OUR GOVERNMENT. EVERY NEWSPAPER, ENVERY MAGAZINE, EVERY CONGRESSMAN IS GOING TO
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SEE WHAT HAPPENS WITH THE BUYING MISSIONS THAT COME OVER HERE IN MARCH -- SEE WHETHER SOMETHING HAPPENS WHILE THEY'RE HERE OR SHORTLY AFTER THEY RETURN. WE'RE GOING TO BE WATCHING OTHER STEPS TO SEE THAT WE GET INTO TRADE BALANCE WITH YOUR COUNTRY. IF WE DON'T, WE'LL HAVE THE WORST KIND OF RESTRICTIVE LEGILSTION COMING OUT OF OUR CONGRESS.

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INFO OCT-01 ISO-00 STR-07 EB-08 COME-00 TRSE-00 OMB-01 H-02 PA-02 CIAE-00 INR-10 NSAE-00 /043 W

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R 100920Z MAR 78 FM AMEMBASSY TOKYO TO SECSTATE WASHDC 6019 INFO USIA WASHDC

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STATE FOR EAJ/PLATT

6. Q. I THINK IF THE VALUE OF DOLLAR'S DECLINING, AND APPRECIATION OF YEN IS CONTINUED, IT"S GETTING DIFFICULT FOR JAPANESE TO INCREASE GNP AND TO ENLARGE IMPORTS. CAN I HAVE YOUR OBSERVATION ON THIS?

A. WELL, IT SEEMS THAA THERE IS ALWAYS AN EXCUSE, WHY IT'S DIFFICULT. WHAT WAS THE EXCUSE IN 1977? WHAT WAS THE EXCUSE IN 1976? WHHT WAS THE EXCUSE IN 1975? NOW I KNOW THE EXCUSE YOU ARE GIVING ME IN 1978, BUT WHAT WAS THE EXCUSE IN THESE OTHER YEARS? THAT'S MY ANSWER.

Q. WHAT DO YOU THINK ABOUT THE DECLINE OF THE DOLLAR IN VALUE -- IS IT A SERIOUS THING IN TRADE?

A. OH, I THINK IT'S SERIOUS IN MANY RESPECTS, YES,
AND IT'S ONE OF THE GREAT PROBLEMS. BUT I WOULD ALSO
SAY THAT IF OTHER NATIONS OF THE WORLD HAD MET THEIR
GROWTH TARGETS AS WE MET OURS THAT WOULLDN'T BE TAKING
PLACE. THAT'S ONE OF THE GREAT REASONS FOR IT.

8. Q. YOU AREN'T PAYING ANY SPECIAL POLITICAL ATTENTION TO THE DECLINE OF THE VALUE OF THE DOLLAR? UNCLASSIFIED

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A. WELL, THE TREASURY DEPARTMENT AND SECRETARY BLUMENTHAL IS PAYING A GREAT DEAL OF ATTENTION TO IT, AND SO IS THE FEDERAL RESERVE BOARD. MONITORING IT VERY CAREFULLY. AND ONE OF THE THINGS WE HAVE TO DO IS TO HAVE AN ENERGY PROBLEM IN THIS COUNTRY TO HELP US THERE, BUT WE ALSO NEED OUR TRADING PARTNERS TO DO THE SAME THING WE DID, AND THAT'S SEE THAT THEIR GROWTH RATE PICKS UP. AND, VERY FRANKLY, THAT'S WHAT PRIME MINISTER FUKUDA, I PRESUME, ADOPTED A 7 PERCENT TARGET. BECAUSE HE KNOWS IT'S THE RESPONSIBILITY OF HIS COUNTRY TO PICK UP ITS GROWTH RATE. AND I WISH THEM EVERY SUCCESS. THINK THEY WILL HAVE SUCCESS. THEY DON'T HAVE TO HIT EXACTLY ON TARGET OF 7 PERCENT. IF THEY GET CLOSE TO IT, IT WILL BE VERY GOOD FOR THE WORLD.

9. Q. ABOUT ENERGY THINGS, I THINK THIS YEARS IS THE FIRST YEAR OF STRATEGIC STOCK PILE OF GAS IN THE UNITED STATES, SO YOU NEED MUCH MORE MONEY TO BUY GAS FROM SAUDI ARABIA AND OTHER COUNTRIES. SO STILL SO MANY DOLLARS FLOWING OUT OF THE UNITED STATES. SO YOU HAVE CONCERN OVER THE VALUE OF THE DOLLAR CONTINUING TO DECLINE.

A. ON YES, OF COURSE WE HAVE CONCERN OVER THAT, OF COURSE WE DO. BUT THAT CONCERNDOESN'T IMPACT ON OUR TRADING RELATIONSHIP WITH JAPAN, AND THERE'S NO POINT IN MUDDYING THAT WATER UP. DON'T GET THE ISSUE COMPLICATED BECAUSE YOU DO THE PEOPLE OF JAPAN WHO ARE LISTENING TO THIS A GREAT INJUSTICE. THEY MUST UNDERSTAND THE GREAT DIFFICULTIES THAT PRIME MINISTER FUKUDA HAS. AND HE SHOULD BE SUPPORTED IN UNCLASSIFIED

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HIS EFFORTS. THIS GOVERNMENT STANDS STRONGLY WITH HIM IN HIS EFFORTS.

10. Q. PRIME MINISTER FUKUDA IS COMING TO THE WHITE HOUSE IN MAY. YOU MEET THE PRESIDENT QUITE FREQUENTLY. WHAT KIND OF A CONVERSATION ARE THEY GOING TO HAVE -- CAN YOU SPECULATE?

A. OH I THINK THE CONVERSATION WILL BE VERY
CONSTRUCTIVE, AND THEY'LL SHARE COMMON CONCERNS
ABOUT WHAT'S GOING ON AROUND THE WORLD. I THINK
THEY'LL SHARE CNCERNS ABOUT THE RELATIONSHIP BETWEEN
OUR TWO COUNTRIES, BECAUSE PRIME MINISTER FUKUDA HAS
A DIET THAT HE HAS TOLIVE WITH, AND PRESIDENT
CARTER HAS A CONGRESS THAT HAS A STRONG ROLE IN OUR
TRADE POLICY. AND THEY EACH ARE COMMITTED, AS TWO
GREAT LEADERS THAT ARE PARTNERS THAT ARE COMMITTED
TO FREE TRADE, TO PROGRESSIVE, FAIR AND EQUITABLE
TRADE. AND I THIHKNTHE PRESIDENT WILL SPEAK
AS CANDIDLY AND FIRMLY AS I'M SPEAKING TO YOU.
END

BEGIN JAPANESE DISCUSSION. SHERMAN

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## Message Attributes

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Subject: STRAUSS INTERVIEW ON NHK SUMMARY: AMBASSADOR STRAUSS WAS INTERVIEWED ON NHK MAR. 8 9 P.M., NEWS CENTER

PROGRAM BY NEW YORK CORRESPOND TAGS: ETRD, SOPN, US, JA, STR, (STRAUSS, ROBERT)

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